

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Market-Dominant Price Change

Docket No. R2022-1

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued April 8, 2022)

To clarify the basis of information provided by the Postal Service in its Notice of Market Dominant Price Change, filed April 6, 2022,¹ the Postal Service is requested to provide written responses to the following questions. Answers should be provided to the individual questions as soon as they are developed, but no later than April 15, 2022.

Billing Determinants

1. On February 28, 2022, the Postal Service submitted the First Quarter Billing Determinants Reports for Fiscal Year 2022.² The cover letter states that “[t]he Market Dominant Products Billing Determinants package includes: (1) USPS Marketing Mail, (2) Alaska Bypass, (3) Bound Printed Matter, (4) First-Class Mail Domestic, (5) First-Class Mail International, (6) Media and Library Mail, (7) Market Dominant Special Services, and (8) Periodicals.”³ However, the submission only includes files for “(1) USPS Marketing Mail” and “(4) First-Class Mail Domestic.” Please provide files for “(2) Alaska Bypass,” “(3) Bound Printed

¹ United States Postal Service Notice of Market-Dominant Price Change, April 6, 2022 (Notice).

² First Quarter Billing Determinants Reports for Fiscal Year (FY) 2022 and Application of the United States Postal Service for Non-Public Treatment of Materials, February 28, 2022 (First Quarter Billing Determinants).

³ First Quarter Billing Determinants, file “1QFY22 Bill Det Ltr.pdf,” at 1 n.1.

Matter,” “(5) First-Class Mail International,” “(6) Media and Library Mail,” “(7) Market Dominant Special Services,” and “(8) Periodicals.”

USPS Marketing Mail

2. As required by the Commission in the FY 2010 Annual Compliance Determination,⁴ please provide:
 - a. A schedule of future above-consumer price index price increases for USPS Marketing Mail Flats;
 - b. An explanation of how the proposed prices will move the USPS Marketing Mail Flats cost coverage toward 100 percent; and
 - c. A statement estimating the effect that the proposed prices will have in reducing the subsidy of the USPS Marketing Mail Flats product.

Periodicals

3. In Library Reference USPS-LR-R2022-1/3, file “Preface Periodicals.pdf,” the Postal Service states that “[i]n order to calculate the change in prices for Science of Agriculture Pounds for Zones 3-9, the Postal Service separated Science of Agriculture Pounds from Regular Advertising pounds in the billing determina[nts] for FY21 Q2 through FY22Q1.”⁵ Please provide the inputs and calculations used to move 470,276 advertising pounds from Regular Zones 3-9 to Science of Agriculture Zones 3-9.

⁴ Docket No. ACR2010, *Annual Compliance Determination*, March 29, 2011, at 107 (FY 2010 ACD).

⁵ Library Reference USPS-LR-R2022-1/3, April 6, 2022, file “Preface Periodicals.pdf,” at 1.

Special Services

4. In Docket No. R2017-7, the Postal Service generated 1.585 percent in banked rate adjustment authority for the Special Services class.⁶ Previous banked rate adjustment authority was 0.067 percent and total banked rate adjustment authority was 1.652 percent. See *id.* Subtracting the previous banked rate adjustment authority from the total banked rate adjustment authority resulted in 1.585 percent in new banked rate adjustment authority for Special Services in that proceeding. Pursuant to 39 C.F.R. § 3030.245(f), banked rate adjustment authority lapses 5 years from the date of the rate adjustment filing leading to its calculation. The Postal Service submitted the original notice for Docket No. R2017-7 on June 30, 2017.⁷ The Commission tolled the filing date for Postal Service’s notice to July 20, 2017.⁸ Therefore, the 1.585 percent in banked rate adjustment authority for Special Services expires on July 20, 2022.
- a. Please confirm that the Postal Service used the following portions of the 1.585 percent in banked rate adjustment authority for Special Services: 1.481 percent in Docket No. R2018-1, 0.093 percent in Docket No. R2019-1, 0.004 in Docket No. R2020-1, and 0.002 percent in Docket No. R2021-2. If not confirmed, please explain.
- b. Please confirm that the remaining banked rate adjustment authority for Special Services from Docket No. R2017-7 is 0.005 percent and expires on July 20, 2022. If not confirmed, please explain.
- c. In Docket No. R2022-1, Table 5 of the Notice lists the banked rate adjustment authority for Special Services available after this proceeding

⁶ See Docket No. R2017-7, Library Reference PRC-LR-R2017-7/3, August 23, 2017, Excel file “PRC-CAPCALC-SS-R2017-7.xlsx,” tab “Rate Cap Authority Calcs,” cells D5 and D10.

⁷ Docket No. R2017-7, United States Postal Service Notice of Market Dominant Price Adjustment and Classification Changes, June 30, 2017.

⁸ Docket No. R2017-7, Order Tolling Filing Time, July 27, 2017, at 2-3 (Order No. 4018).

as 0.066 percent. Notice at 5. Please confirm that the banked rate adjustment authority for Special Services will become 0.061 percent after July 20, 2022. If not confirmed, please explain.

Compliance with 39 C.F.R. Part 3030

5. 39 C.F.R. § 3030.123(c) requires that the Postal Service provide the banked rate adjustment authority, by class, that was available “for each of the preceding 5 years calculated as required by subpart H [of 39 C.F.R. part 3030].” 39 C.F.R. § 3030.123(c). Please provide this information. In the response, please include the Docket No. in which *any new* banked rate adjustment authority was generated as well as the *new* banked rate adjustment authority’s expiration date.

By the Chairman.

Michael Kubayanda